

AGENDA ITEM SUMMARY

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2017 Legislative Preview

Coordinating Board for Higher Education

December 15, 2016

DESCRIPTION

The intent of this item is to provide background information about the upcoming legislative session.

Legislation

Higher education continues to be a topic of considerable interest to legislative leaders. We anticipate the introduction of legislation in several areas that could impact the department and the state's colleges and universities.

Guns on Campus

Missouri law currently prohibits firearms in any higher education institution without the consent of the governing body of the higher education institution. However, possession of a firearm in a vehicle on the premises of any higher education institution is permitted so long as the firearm is not removed from the vehicle or brandished while the vehicle is on the premises.

Several bills were introduced but did not pass during the 2016 legislative session that would have changed these requirements. Nine states, including two that border Missouri (Kansas and Arkansas), either already allow carrying firearms on campus or will in the near future. At least one Missouri legislator has expressed his intent to revisit this issue during the 2017 session, and Missouri Department of Higher Education (MDHE) staff anticipate that several bills will be introduced on this subject.

Student Aid Programs

It is likely we will see some legislative proposals related to state student aid programs. It is expected there will be legislation to create a new category of financial aid-eligible institution designed to make Missouri residents enrolled at Western Governors University eligible for state aid. It is possible that other changes to existing state aid programs will also be proposed. These could include revision of the current high school attendance requirement for the A+ program, incorporating incentives for on-time completion in other programs, and efforts to reduce the student loan debt incurred by graduates.

With regard to the administration of the Federal Family Education Loan Program (FFELP), the MDHE will seek approval to modify the statute that authorizes the department to administratively garnish the wages of borrowers with defaulted loans. The current law restricts garnishment to ten percent of a borrower's earnings, while federal statutes governing FFELP permit garnishment of up to 15 percent of a borrower's earnings. MDHE recommends changing

the statutory language to specify that the garnishment must be “in an amount not to exceed federal wage garnishment limitations.”

Higher Education System Review

Elsewhere in the board materials is an interim report of the work of the Coordinating Board’s task force charged with reviewing and making recommendations regarding Missouri’s public higher education system. Although the final recommendations of the task force were not known at the time this agenda item was finalized, it would be expected that some legislative action will be required in order to implement those recommendations.

Other Possible Issues

Over the last several sessions, the General Assembly has discussed but failed to enact proposals to provide additional data security for sensitive electronic records, including educational records, and to limit the manner in which those records can be shared. Staff expect continued legislative interest in this subject. While the department understands the need to provide the greatest protection possible to individually identifiable data, that effort should not undermine the use of that data to conduct important research on such issues as student persistence, completion, and employment.

FY 2018 Higher Education Budget

While the state’s economy continues to show signs of slow but steady improvement, there are some indicators that financial challenges remain for the state. While year-to-date revenues are up by almost three percent over last year, the increase is somewhat below the revenue estimate upon which the FY 2017 budget was drafted. In addition, the state ended FY 2016 well below the expected revenue increase for that year. Although we are still relatively early in the fiscal year, this situation could dampen the push for additional funding for higher education.

While this picture is not particularly positive, we remain guardedly optimistic about support for higher education funding. Performance funding continues to enjoy strong support within the legislature. While the Board’s request for an additional \$48.5 million to be distributed through performance funding may be difficult to achieve, we fully support the need for this additional funding. We believe the requested \$1.5 million supplemental increase for Bright Flight included in the Board’s budget request will receive strong consideration by both the incoming Governor and the General Assembly. Although increases in FY 2018 for this and other aid programs administered by the department are needed to maintain their value to students, it is unclear if funding for the CBHE-requested increases will be available.

Capital Improvements

Over the past several years, higher education institutions have received substantial support for capital improvements projects. While the current revenue picture may not permit a continuation of that level of support, the CBHE budget recommendation includes several project requests from the Higher Education Capital Fund as well as the standard request for priority one projects in case funds are available. Of particular note is the notice recently received from the Office of

Administration indicating the Coordinating Board's prioritized capital improvements list will be the starting point for the discussion of capital improvement funding for FY 2018.

STATUTORY REFERENCE

N/A

RECOMMENDED ACTION

This is an information item only.

ATTACHMENT(S)

None